

HOUSE BILL 472

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2003 Regular Session
3r1415
CF 3r1452

By: **Delegate Doory**

Introduced and read first time: February 5, 2003

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 4, 2003

CHAPTER _____

1 AN ACT concerning

2 **Corporations - Bylaws**

3 FOR the purpose of clarifying that the charter or bylaws of a corporation may vest all
4 or any part of the power to adopt, alter, and repeal the bylaws of the corporation
5 in the corporation's board of directors under certain circumstances; clarifying
6 that the vote of the stockholders required to adopt, alter, or repeal the bylaws of
7 a corporation may be specified in the charter or bylaws and may be greater than
8 a certain threshold; and generally relating to bylaws of corporations.

9 BY repealing and reenacting, with amendments,
10 Article - Corporations and Associations
11 Section 2-109
12 Annotated Code of Maryland
13 (1999 Replacement Volume and 2002 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - Corporations and Associations**

17 2-109.

18 (a) (1) After the Department accepts the articles of incorporation for record,
19 at the call of a majority of the directors named in the articles, the directors shall hold
20 an organization meeting of the board of directors, to adopt bylaws, elect officers, and
21 transact any other business which may come before the meeting.

1 (2) The directors who call the meeting shall notify each director in
2 writing of the time and place of the meeting at least three days before it is held.

3 (b) After the organization meeting of the board of directors, the power to
4 adopt, alter, and repeal the bylaws of the corporation is vested in the stockholders
5 except to the extent that the charter or bylaws vest [it] ALL OR ANY PART OF THE
6 POWER in the board of directors.

7 (C) THE VOTE OF THE STOCKHOLDERS REQUIRED TO ADOPT, ALTER, OR
8 REPEAL THE BYLAWS:

9 (1) MAY BE SPECIFIED IN THE CHARTER OR BYLAWS; AND

10 (2) MAY BE GREATER THAN A MAJORITY OF THE VOTES CAST.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
12 effect June 1, 2003.